

STATE OF INDIANA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS

IN RE: **TELLIGMAN D1-23HDN DRILLING UNIT**

PETITION OF ATLAS ENERGY INDIANA, LLC, FOR THE INTEGRATION OF INTERESTS LOCATED IN SECTION 14 AND SECTION 23, TOWNSHIP 5 NORTH, RANGE 9 WEST, KNOX COUNTY, INDIANA

PETITION FOR INTEGRATION OF INTERESTS

COMES NOW, Atlas Energy Indiana, LLC, of 10691 East Carter Road, Traverse City, Michigan 49684 ("Petitioner"), by attorney Karen J. Anspaugh, and pursuant to IC 14-37-9-1 and other applicable laws enacted by the State of Indiana to prevent waste and to avoid the drilling of unnecessary wells, respectfully petitions the Department of Natural Resources, Division of Oil and Gas ("Division"), to require the integration of all interests in the oil, gas and associated hydrocarbons and to develop a single unit.

In support thereof, Petitioner states as follows:

1. Petitioner intends to seek a permit from the Division to approve the **TELLIGMAN D1-234HDN DRILLING UNIT**, comprised of the West Half of the West Half of Section 14, Town 5 North, Range 9 West, Knox County, Indiana, containing 160 acres, more or less ("Established Drilling Unit"). Said Established Drilling Unit is in an area comprised of Sections established by the Official United States Public Lands Survey by the rectangular surveying system for the State of Indiana, and Surveys and Locations that overlap the standard Sections. The reference herein to land located in Section 14, Township 5 North, Range 9 West, is based upon extension of the visible boundaries of that part of Section 14 that is not overlain by Surveys and Locations.

Petitioner has established the Telligman 14-23 Pooled Unit containing 646.531 acres, more or less ("Pooled Unit"), described below. The leased parcels located in the Pooled Unit ("Leased Parcels") together contain 636.476 acres.

Section 14, Township 5 North, Range 9 West

- *The West Half*

Section 23, Township 5 North, Range 9 West

- *The West Half*

The acreage amounts set out herein are based upon plat maps, tax rolls and certain Abstracts of Title. Due to complex descriptions, the exact acreage amount contained in certain parcels and the breakdown of the acreage amounts located inside the perimeter of the Pooled Unit cannot be proven to be 100% accurate until a Division Order Title Opinion and/or a survey of said parcels is completed.

2. A 50% interest in the Separately Owned Interest, being Tract 14-C, containing 12.00 acres, and Tract 14-D, containing 22.14 acres, 8.11 acres of which are located inside the Pooled Unit, has been leased by the Petitioner from Carla S. Ryan.
3. The remaining 50% interest in the Separately Owned Interest is owned by the following parties ("Non-Consenting Owners"):

William C. Brocksmith
14245 North Northview Road
Edwardsport, IN 47528-8033

Kent A. Brocksmith
14245 North Northview Road
Edwardsport, IN 47528-8033

Doris J. Brocksmith
14245 North Northview Road
Edwardsport, IN 47528-8033

Jane Louise Tiek
13360 North Risley Road
Oaktown, Indiana 47561

4. The following described exhibits are attached to this Petition and are incorporated herein:

Exhibit A-1: Legal Description of Separately Owned Interest
Exhibit A-2: Legal Description of Leased Parcels
Exhibit B-1: Map of the West Half of Section 14
Exhibit B-2: Map of the West Half of Section 23
Exhibit B-3: Map of the Northwest Quarter of Section 14
Exhibit B-4: Map of the Southwest Quarter of Section 14
Exhibit B-5: Map of the Northwest Quarter of Section 23
Exhibit B-6: Map of the Southwest Quarter of Section 23
Exhibit C: Oil and Gas Lease Form Utilized in Project Area
Exhibit D: Division of Gas Ownership Interest Spreadsheet
Exhibit E: Contact Report Summarizing Lease Attempts
Exhibit F: Depiction of Well Site Location

5. Exhibit A-1 sets out the legal descriptions pertaining to the Separately Owned Interest and Exhibit A-2 sets out the legal descriptions pertaining to the Leased Parcels.

6. Exhibit B-1 through B-6 are maps that depict the Separately Owned Interest, the Leased Parcels and the Pooled Unit. The well path is presently undetermined and no well has been drilled.
7. Petitioner owns valid and operative Oil and Gas Leases ("Operative Leases") covering all of the oil, gas and associated hydrocarbons underlying the Leased Parcels. Exhibit C is a sample Oil and Gas Lease form utilized by Petitioner in the project area.
8. Petitioner intends to drill a Geologic or Structure Test Well on the Established Drilling Unit, being a single horizontal well into the New Albany Shale, which is anticipated to produce natural gas and the constituents thereof.
9. Natural gas and associated hydrocarbons are reasonably believed to underlie the Pooled Unit. It is also a reasonable belief that natural gas and associated hydrocarbons can be economically produced by drilling and operating a well.
10. The Separately Owned Interest is situated so as to constitute an integral and necessary part of the Established Drilling Unit as described in 312 IAC 16-5-3(c).
11. The Operative Leases contain terms which are standard in the industry and commonly utilized in the project area, including a royalty rate of one-eighth (1/8th) and a primary term of five (5) years. Landowners in the general vicinity of the Pooled Unit are customarily compensated with a lease-signing bonus between twenty dollars (\$20.00) and thirty-five dollars (\$35.00) per acre.
12. The Operative Leases contain a pooling clause granting Petitioner the right and power to pool or combine the acreage covered thereby with other lands for the production of oil, gas and other hydrocarbons.
13. The Operative Leases contain terms giving the owner of each tract of land therein an equitable share of the net production of oil, gas and other hydrocarbons in the communitized unit over and above that which may be used or consumed for production or development purposes. Said net production share is based upon the ratio between tract acreage and the total acreage of the communitized unit. Production allocation shall be disbursed as if said production was generated from a well drilled on that tract.
14. The terms contained in the pooling clause of the Operative Leases provide the most just, reasonable and equitable method for sharing the production of oil, gas and other hydrocarbons from the Pooled Unit, to wit:

Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the Land, whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided and except that in calculating the amount of any shut-in gas royalties, only that part of the acreage originally leased and then actually embraced by this lease shall be counted. With respect to the production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of Lessor's acreage hereunder which is placed in the unit, or his royalty interest therein on an acreage basis, bears to the total acreage in the unit.

15. Exhibit D sets out ownership information pertaining to both the Separately Owned Interest and the Leased Parcels.
16. Petitioner has repeatedly contacted the owners of the Separately Owned Interest and has diligently attempted to obtain an Oil and Gas Lease or consent to voluntarily integrate their interest with the Leased Parcels. Exhibit E is a Contact Report that summarizes said attempts.
17. Petitioner now desires to exercise its rights granted under the pooling clause contained in the Operative Leases, to explore for natural gas and associated hydrocarbons thereunder. Petitioner is being prevented from doing so by the existence of the Separately Owned Interest.
18. Petitioner is prepared to pay all costs associated with the drilling and abandonment of the well in the event the same is found to be a dry hole.
19. Petitioner intends to utilize, with the permission of the pertinent landowners, a portion of the surface within the Established Drilling Unit for a drill pad, measuring approximately 250 feet by 250 feet. An access road measures 30 feet wide by 125 feet long. No other surface structures or facilities are present. Exhibit F is a depiction of the proposed well site location, which portrays present and proposed surface structures and facilities.
20. Petitioner has executed an "Authority for Expenditure" that details the costs associated with drilling and operation of the well. The Authority for Expenditure will be provided to Division with this Petition. Division is authorized by Petitioner to provide a copy to all persons desiring to participate in the costs of drilling and operation of the well.
21. If Division does not require the integration of the Separately Owned Interest in the Established Drilling Unit, the natural gas and associated hydrocarbons thereunder cannot be economically and efficiently extracted, correlative rights cannot be protected and waste and the drilling of unnecessary wells will occur.


22. Division has the right and power, pursuant to the provisions of IC 14-37-9-1 et seq., to require such integration "upon reasonable terms that give the owner of each tract an equitable share of oil and natural gas in the unit or pool."

WHEREFORE, Petitioner respectfully moves Division, after any such notice and hearing as may be required by law, to issue an "Order for the Integration of Interests" to effectuate the following:

1. Integrate the Separately Owned Interest with the Leased Parcels as one of the following:
 - A) Royalty Owner: The rights and responsibilities of both the Royalty Owner and the Petitioner would be governed by the terms and conditions set out in the Operative Leases.
 - B) Participating Owner: The rights and responsibilities of both the Participating Owner and the Petitioner would be governed by a voluntary Joint Operating Agreement, which would specify that the Participating Owner pay their share of the estimated costs of drilling and production and receive their proportionate share of production.
 - C) Limited Participating Owner: The rights and responsibilities of both the Limited Participating Owner and the Petitioner would be governed by a voluntary Joint Operating Agreement, which would specify that the Limited Participating Owner:
 - Pay their share of the costs of drilling and production on a limited or carried basis
 - Have the same responsibilities as a Participating Owner, except that the costs of drilling and production would not include up front costs
 - Receive no compensation from the Petitioner until the Petitioner has, through the sale of the Limited Participating Owner's share of production, recovered the proportional share of the costs of drilling, producing and operating the well, together with reasonable compensation for carrying the risk of a dry hole
 - Thereafter, receive a proportionate share of production and be treated as a Participating Owner.
2. Designate Petitioner as the operator of the Established Drilling Unit for the development and operation thereof; and
3. Implement any further terms and provisions in accordance with the law of the State of Indiana that Division may, in its discretion, deem desirable and proper.

Respectfully submitted,

Atlas Energy Indiana, LLC

By: 
Karen J. Anspaugh #18975-49
Post Office Box 4212
Traverse City, Michigan 49685
231-228-2218
Attorney for Petitioner

Date: 11/30/09

For Notification:

Atlas Energy Indiana, LLC
Attn: Paul A. Domagalski
10691 East Carter Road
Traverse City, Michigan 49684

EXHIBIT "A-1"
DESCRIPTION OF SEPARATELY OWNED INTEREST
Telligman 14-23 Pooled Unit
West Half of Section 14 and Section 23, Township 5 North, Range 9 West

TRACT 14-C

A tract of land in fractional Section 14, Town 5 North, Range 9 West to contain 12 acres adjoining to and lying immediately Southwest of the aforesaid tract, and of the same width of said tract and lying between what would be a continuation Southwest of the Northeast and Southwest boundary lines of tract first described herein. [The referenced parcel being Tract 14-D]

All of the above being the same interest in real estate conveyed by deed from Vernor O. Scanling and Roxie L. Scanling, husband and wife to David O. Ashley, dated March 8, 1939 and recorded March 9, 1939 in Book No. 95, page 650 in the Recorder's Office of Knox County, Indiana.

(Tax ID #021-004-0014-200-003)

Note: A 50% of the interest in Tract 14-C is leased; however, the remaining 50% interest is **unleased.**

TRACT 14-D

The Northwest Half of the following described land in Survey 3 in Township 5 North, Range 9 West, described as follows:

Beginning at the West corner of said Survey Number 3; thence South 38 $\frac{3}{4}$ degrees East 23 chains and 31 links [1,538.46 feet] to a post on the Southwest line of said Survey Number 3; thence North 51 $\frac{1}{4}$ degrees East 19 chains [1,254.00 feet]; thence North 38 $\frac{3}{4}$ degrees West 23 chains and 31 links [1,538.46 feet] to a post in the Northwest line of said Survey Number 3; thence South 51 $\frac{1}{4}$ degrees West with said Northwest line 19 chains [1,254.00 feet] to the beginning, containing 44 and 28/100 acres. The above tract being the Northwest Half of said 44 28/100 acre tract.

[Containing 22.14 acres, more or less]

(Tax ID #021-004-S003-000-001)

Note: A 50% of the interest in Tract 14-C is leased; however, the remaining 50% interest is **unleased.**

TRACT 14-E

Part of Lots 1, 2 and 3 in Fractional Section 14, Township 5 North, Range 9 West, described as follows:

*Beginning in the Northwest line of Location 46 at a point South 51 ¼ degrees West 20.34 chains [1,342.44 feet] from the North corner of said Location 46; thence South 51 ¼ degrees West 22.66 chains [1,495.56 feet] to the West line of said Section 14; thence with said line North 40.31 chains [2,660.46 feet] to a point 11.69 chains [771.54 feet] South of the Northwest corner of said Section 14; thence South 30 ¼ degrees East 32.49 chains [2,144.34 feet] to the place of beginning, **containing 35 acres, more or less.***

(Tax ID #021-004-0014-600-004)

TRACT 14-F

Part of Lots Number 1 and 2 in Section 14, Township 5 North, Range 9 West, described as follows:

*Beginning at an iron slab the East corner of the said Lot Number 2 said point also being the North corner of Location Number 46 in said Town and Range; thence South 51 ¼ degrees West 20.34 chains [1,342.44 feet] to a stone on the Northwest line of said Location; then North 30 ¼ degrees West 20.84 chains [1,375.44 feet] to a stone in said Lot Number 2; thence North 51 ¼ degrees East 17.43 chains [1,150.38 feet] South 38 ¾ degrees East from the West corner of the said Survey; thence South 38 ¾ degrees East 20.39 chains [1,345.74 feet] to the place of beginning, **containing 38.61 acres.***

(Tax ID #021-004-0014-200-005)

TRACT 14-G

The Southeast Half of the following described land in Survey No. 3, Township 5 North, Range 9 West:

*Beginning at the West corner of Survey No. 3; thence South 38 ¾ degrees East 23 chains and 31 links [1,538.46 feet] to a post on the Southwest line of said Survey No. 3; thence North 51 ¼ degrees East 19 chains [1,254.00 feet]; thence North 38 ¾ degrees West 23 chains and 31 links [1,538.46 feet] to a post in the Northwest line of said Survey No. 3; thence South 51 ¼ degrees West with said Northwest line 19 chains [1,254.00 feet] to the beginning containing 44.28 chains, the part hereby conveyed being the Southeast Half of said 44.28 acres. **[The referenced 44.28 acre parcel being Tract 14-D and Tract 14-G combined]***

[Containing 22.14 acres, more or less]

(Part of Tax ID #021-004-S003-000-003)

Note: According to Deed Plotter calculations, 20.86 acres of Tract 14-G is located inside the Pooled Unit.

TRACT 14-H

Part of the Southeast Fractional Quarter of Section 11, Township 5 North, Range 9 West, and part of Survey No. 3, Township 5 North, Range 9 West, described as follows:

*Beginning at the Northeast corner of said fractional quarter; thence South 698.00 feet along the East line of said fractional quarter and existing fence to a corner post on the Northwest line of Survey No. 2 in said Township and Range; thence South 51 degrees 15 minutes West 2,112.00 feet along said Northwest line to the West corner of said Survey No. 2; thence North 38 degrees 45 minutes West 183.00 feet along an existing fence to a corner; thence South 51 degrees 15 minutes West 1,442.00 feet along an existing fence to a corner post; thence North 40 degrees 40 minutes West 1,116.00 feet along an existing fence extended to the center of the Oaktown-Freelandville Road; thence Northeasterly 3,033.00 feet along the center of said road to the North line of said Southeast fractional quarter section; thence East 1,278.00 feet along said North line and center of the county road extended to the point of beginning, **containing 104.06 acres, more or less.***

(Tax ID #021-004-S003-000-002)

Note: According to Deed Plotter calculations, 0.31 acres of Tract 14-H is located inside the Pooled Unit.

TRACT 14-I

Also the Southeast part of Location No.3 containing 92.22 acres, more or less.

Note: According to Deed Plotter calculations, 18.56 acres of Tract 14-I is located inside the Pooled Unit.

TRACT 14-J

The South part of the Lot Number 3 or North Half of the Southwest Fractional Section Number 14, Township 5 North, Range 9 West, described as follows:

*Beginning at a stake, the West corner of Location No. 46; thence South 51 $\frac{1}{4}$ degrees West 6.24 chains [411.84 feet] to the North and South line between Sections 14 and 15; thence South 8.77 chains [578.82 feet] to a stake, the Southwest corner of said Lot 3; thence East to a stake on the line of Location No. 46; thence North 38 $\frac{3}{4}$ degrees West with the line of Location No. 46, 16.48 chains [1,087.68 feet] to the place of beginning, **containing 12.59 acres, more or less.***

(Tax ID #021-004-0014-300-006)

TRACT 14-K

Part of Lot Number 4 or the South Half of the Southwest Fractional Quarter of Fractional Section 14, Township 5 North, Range 9 West, described as follows:

*Beginning at the Southwest corner of said Lot No. 4; thence North 1,367.30 feet along the West line of said Lot and the center of a county highway to the Northwest corner of said Lot Number 4; thence South 89 degrees 38 minutes East 689.70 feet along the North line of said Lot to a post; thence South 07 degrees 58 minutes West 983.00 feet to a post; thence South 02 degrees 21 minutes East 388.70 feet to the South line of said Lot Number 4 and the center of a county highway; thence South 89 degrees 54 minutes West 569.10 feet along said South line and the center of said highway to the place of beginning, **containing 18.934 acres, more or less.***

(Tax ID #021-004-0014-300-010)

TRACT 14-L

All of Lot 4, or the South Half of the Southwest Fractional Quarter of Fractional Section 14, Township 5 North, Range 9 West, containing 48.30 acres:

*EXCEPTING THEREFROM 1.25 acres off of the East corner thereof, leaving herein contained 47.05 acres, more or less. **[Said exception being Tract 14-Q and Tract 14-R combined]***

ALSO EXCEPTING THEREFROM: Part of Lot #4 or the South Half of the Southwest Fractional Quarter of Fractional Section 14, Township 5 North, Range 9 West, Widner Township, Knox County, Indiana, described as follows:

*Beginning at the Southwest corner of said Lot #4; thence North 1,367.3 feet along the West line of said Lot and the center of a county highway to the Northwest corner of said Lot #4; thence South 89 degrees 38 minutes East 689.7 feet along the North line of said Lot to a post; thence South 07 degrees 58 minutes West 983.0 feet to a post; thence South 02 degrees 21 minutes East 388.7 feet to the South line of said Lot #4 and the center of a county highway; thence South 89 degrees 54 minutes West 569.1 feet along said South line and the center of said highway to the place of beginning, containing 18.934 acres, more or less. **[Said exception being Tract 14-K]***

*Leaving herein contained after deducting above exception, a total of **28.116 acres, more or less.***

(Tax ID #021-004-0014-300-007)

TRACT 14-M

Part of Location Number 46, Township 5, North, Range 9 West, Widner Township, Knox County, Indiana, described as follows:

*Beginning at the West corner of said Location; thence South 38 degrees 45 minutes East with the Southwest line of said Location 2,437.00 feet to the center of a county road; thence North 21 degrees East 812.00 feet along the center of the county road; thence North 38 degrees 45 minutes West 2,035.00 feet to a corner post set in concrete on the Northwest line of said Location; thence South 51 degrees 15 minutes West 700.00 feet with the Northwest line of said Location to the point of beginning, and **containing 35.93 acres, more or less.***

EXCEPTING THEREFROM, Part of Location Number 46, Township 5 North, Range 9 West, Widner Township, Knox County, Indian bounded and described as follows:

*Commencing at the West corner of said location; thence South 38 $\frac{3}{4}$ degrees East with the Southwest line of said Location, 2,437.00 feet to a railroad spike in the center of a county road at the point of beginning of this description, witness a corner post, North 38 $\frac{3}{4}$ degrees West, 45.24 feet; thence North 38 $\frac{3}{4}$ degrees West along the Location line and along a fence line, 393.26 feet to a corner post; thence North 51 degrees 48 minutes 38 seconds East along a fence line 203.53 feet to a corner post; thence North 72 degrees 49 minutes 28 seconds East along a fence line, 236.00 feet to a railroad spike in the center of a county road, witness a corner post, North 72 degrees 49 minutes 28 seconds West, 35.00 feet; thence South 21 degrees West along the center of the county road, 388.66 feet to the point of beginning containing 1.97 acres, more or less. **[Said exception being Tract 14-P]***

Leaving herein after said exception 33.96 acres, more or less.

(Tax ID #021-004-L046-000-001)

TRACT 14-N

Part of Location No. 46 beginning at the North corner of Location No. 46, Township 5 North, Range 9 West, described as follows:

*Running thence South 50 degrees 17 minutes West with the Northwest line of said Location No. 46, 1,637.00 feet; thence South 38 degrees 45 minutes East 2,035.75 feet to the center line of 34 foot gravel road (Carlisle and Bruceville Road); thence North 21 degrees 10 minutes East 860 feet with the center line of said Road; thence Continuing along the centerline of said Road 43 degrees 56 minutes East 893 feet to the Northeast line of said Location 46; thence North 38 degrees 29 minutes West 1,518.50 feet to the point of beginning **containing therein 63.09 acres.***

(Tax ID #021-004-L046-000-003)

Note: According to Deed Plotter calculations, 56.66 acres of Tract 14-N is located inside the Pooled Unit.

TRACT 14-O

Part of Location Number 16 containing 4.50 acres, more or less.

(Tax ID #021-004-L016-000-001)

Note: According to Deed Plotter calculations, 0.058 acres of Tract 14-O is located inside the Pooled Unit.

TRACT 14-P

Part of Location Number 46, Township 5 North, Range 9 West, described as follows:

*Commencing at the West corner of said location; thence South 38 $\frac{3}{4}$ degrees East with the Southwest line of said location, 2,437.00 feet to a railroad spike in the center of a county road at the point of beginning of this description, witness a corner post, North 38 $\frac{3}{4}$ degrees West, 45.24 feet; thence North 38 $\frac{3}{4}$ degrees West along the Location line, and along a fence line, 393.26 feet to a corner post; thence North 51 degrees 48 minutes 38 seconds East along a fence line, 203.53 feet to a corner post; thence North 72 degrees 49 minutes 28 seconds East along a fence line, 236.00 feet to a railroad spike in the center of a county road, witness a corner post, North 72 degrees 49 minutes 28 seconds West, 35.00 feet; thence South 21 degrees West along the center of the county road, 388.66 feet to the point of beginning, **containing 1.97 acres, more or less.***

(Tax ID #021-004-L046-000-005)

TRACT 14-Q

*Part of Lot 4 in Fractional Section 14, Township 5 North, Range 9 West, being in the South part of said Lot No. 4 and also being that portion out from the Grantors farm by virtue of Location of new Black top road, making same adjoining farm of Grantee herein, **containing 0.25 acres, more or less.***

(Tax ID #021-004-0014-300-008)

TRACT 14-R

*A part off the East corner of Lot No. 4 of Fractional Section 14 in Township 5 North, Range 9 West, known as the Light School property, **containing 1.0 acres, more or less.***

(021-004-0014-300-009)

TRACT 14-S

Part of Location No. 46, Township 5 North, Range 9 West, described as follows:

*Beginning at the North corner of said Location 46; thence running South 50 degrees 17 minutes West, 1,637.00 feet to a fence line being the Southwest line of Robert Ashley's 63.09 acre tract; thence running South 38 degrees 45 minutes East, 2,035.75 feet along said 63.09 acres tract to a railroad spike in the center of Risley Road and being the beginning point of this survey; thence South 38 degrees 45 minutes East, 942.91 feet to a 5/8 inch iron rod in a fence line capped and scribed D. Biggs, L.S. 9784; thence South 50 degrees 57 minutes West 688.60 feet along said fence line to a point referenced by a PK Nail 12.70 feet South 50 degrees 57 minutes West in the center of the Lower Freelandville Road; thence North 40 degrees 20 minutes 29 seconds West, 536.46 feet to a railroad spike found in the center of said Risley Road; thence North 21 degrees 00 minutes East, 814.37 feet along said Risley Road to the point of beginning, **containing 11.835 acres, more or less.***

Note: According to Deed Plotter calculations, 11.65 acres of Tract 14-S is located inside the Pooled Unit.

TRACT 14-T

Part of Location 46, Township 5 North, Range 9 West, described as follows:

*Beginning at the North corner of said Location 46; thence South 50 degrees 17 minutes West, 1,637.00 feet along the Northwest line of said Location 46 to a fence line being the Southwest line of a 63.09 acre tract belonging to Robert Risley; thence South 38 degrees 45 minutes East, 2,035.75 feet along said fence line to a railroad spike set in the center of Risley Road and being the beginning point of this survey; thence South 38 degrees 45 minutes East, 942.91 feet to a 5/8 inch iron rod in a fence line capped and scribed D. Biggs L S 9784; thence North 50 degrees 57 minutes East, 1,621.40 feet along said fence line (line between Trinkle and Hoke) and its projection to a large concrete post at the corner of said Hoke and Trinkle; thence North 38 degrees 23 minutes West, 775.99 feet to a corner post; thence South 34 degrees 29 minutes West, 272.45 feet to a corner post; thence North 66 degrees 32 minutes 40 seconds West, 403.03 feet to a corner post; thence South 46 degrees 46 minutes West, 351.26 feet to a stake; thence South 39 degrees 26 minutes East, 131.39 feet along a fence line to a post; thence South 44 degrees 42 minutes 46 seconds West, 106.63 feet to another fence line post; thence North 42 degrees 14 minutes West, 455.14 feet to a railroad spike set in the center of said Risley Road; thence South 21 degrees 10 minutes West. 803.59 feet along said Risley Road to the point of beginning, **containing 37.628 acres, more or less.***

Note: According to Deed Plotter calculations, 9.60 acres of Tract 14-T is located inside the Pooled Unit.

TRACT 14-U

Part of Location No. 46, Township 5 North, Range 9 West, bounded and described as follows:

Beginning at the North corner of said Location 46; thence South 50 degrees 17 minutes West, 1,637.00 feet along the Northwest line of said Location No. 46 to a fence line being the Southwest line of a 63.09 acre tract belonging to Robert Risley; thence South 38 degrees 45 minutes East, 2,035.75 feet along said fence line to a railroad spike in the center of said Risley Road; thence North 21 degrees 10 minutes East, 803.59 feet along said Risley Road to a railroad spike being the beginning point of this survey; thence North 21 degrees 10 minutes East, 56.41 feet along said Risky Road and North 43 degrees 56 minutes East, 893.97 feet along said Risley Road and its projection to a 5/8 inch iron rod capped and scribed D. Biggs LS 9784; thence South 38 degrees 23 minutes East, 703.40 feet along a fence line to a corner post; thence South 34 degrees 29 minutes West, 272.45 feet to a corner post; thence North 66 degrees 32 minutes 40 seconds West, 403.03 feet to a corner post; thence South 46 degrees 46 minutes West, 351.26 feet to a stake; thence South 39 degrees 26 minutes West, 351.26 feet along a fence line to a post; thence South 44 degrees 42 minutes 46 seconds West, 106.63 feet to a post in another fence line; thence North 42 degrees 14 minutes West, 455.14 feet along said fence line and its projection to the point of beginning, containing 10.969 acres, more or less.

EXCEPTING THEREFROM: Part of Location No. 46, Township 5 North, Range 9 West, described as follows:

Beginning at the North corner of said Location 46: thence South 50 degrees 17 minutes West, 1,637.00 feet along the Northwest line of said Location 46 to a fence line being the Southwest line of a 63.09 acre tract belonging to Robert Risley; thence South 38 degrees 45 minutes East, 2,035.75 feet along said fence line to a railroad spike in the center of Risley Road; thence North 21 degrees 10 minutes East, 856.00 feet along said Risley Road to a point, passing through a rail road spike at 803.59 feet at the West corner of a 10.969 acre tract belonging to David L. Trinkle: thence North 43 degrees 56 minutes East, 160.00 feet along said Risley Road to the point of beginning of this survey witness by an iron rod 16.64 feet South 44 degrees 12 minutes 57 seconds East; thence South 44 degrees 12 minutes 57 seconds East, 352.48 feet to the Southeast line of said 10.959 acre tract; witness by an iron rod in a fence line 4.32 feet North 44 degrees 12 minutes 57 seconds West; thence North 46 degrees 46 minutes East, 184.50 feet along said Southeast line of 10.969 acre tract to a stake; witness by an iron rod 13.27 feet North 44 degrees 01 minutes.01 seconds West, 361.65 feet to the center of said Risley Road; witness by a post 18.04 feet South 44 degrees 01 minutes 01 seconds East; thence South 43 degrees 56 minutes West, along said Risley Road to the point of beginning containing 1.517 acres, more or less. [Said exception being Tract 14-V]

[Containing after said exceptions, 9.452 acres, more or less]

Note: According to Deed Plotter calculations, 1.19 acres of Tract 14-U is located inside the Pooled Unit.

TRACT 14-V

Part of Location No. 46, Township 5 North, Range 9 West, described as follows:

Beginning at the North corner of said Location 46: thence South 50 degrees 17 minutes West, 1,637.00 feet along the Northwest line of said Location 46 to a fence line being the Southwest line of a 63.09 acre tract belonging to Robert Risley; thence South 38 degrees 45 minutes East, 2,035.75 feet along said fence line to a railroad spike in the center of Risley Road; thence North 21 degrees 10 minutes East, 856.00 feet along said Risley Road to a point, passing through a railroad spike at 803.59 feet at the West corner of a 10.969 acre tract belonging to David L. Trinkle; thence North 43 degrees 56 minutes East, 160.00 feet along said Risley Road to the point of beginning of this survey witness by an iron rod 16.64 feet South 44 degrees 12 minutes 57 seconds East; thence South 44 degrees 12 minutes 57 seconds East, 352.48 feet to the Southeast line of said 10.959 acre tract; witness by an iron rod in a fence line 4.32 feet North 44 degrees 12 minutes 57 seconds West; thence North 46 degrees 46 minutes East, 184.50 feet along said Southeast line of 10.969 acre tract to a stake; witness by an iron rod 13.27 feet North 44 degrees 01 minutes 01 seconds West, 361.65 feet to the center of said Risley Road; witness by a post 18.04 feet South 44 degrees 01 minutes 01 seconds East; thence South 43 degrees 56 minutes West, along said Risley Road to the point of beginning containing 1.517 acres, more or less.

(Tax ID #021-004-L046-000-009)

Note: According to Deed Plotter calculations, 0.30 acres of Tract 14-V is located inside the Pooled Unit.

TRACT 14-W

Part of Location No. 46, Township 5 North, Range 9 West, described as follows;

Beginning at the South Corner of said Location 46; thence North $38\frac{3}{4}$ degrees West along the Southwest line of said Location 11.43 chains [754.38 feet]; thence North $51\frac{1}{4}$ degrees East 35 chains [2,310.00 feet] to the Northeast line of said Location No. 46; thence South $38\frac{3}{4}$ degrees East along the Northeast line of said Location 11.43 chains [754.38 feet] to the East corner thereof; thence South $51\frac{1}{4}$ degrees West along the Southeast line of said Location 35 chains [2,310.00] to the place of beginning, containing 40 acres, more or less.

EXCEPTING THEREFROM: Part of Location No. 46, Township 5 North, Range 9 West, described as follows:

Commencing at Northwest corner of Fraction Section 23 in said Township and Range; thence South 89 degrees 23 minutes 03 seconds East (Basis of Bearings), 2,131.80 feet to the intersection of the North line of said Section 23 with the Southwest line of said Location 46; thence South $38\frac{3}{4}$ degrees East, 669.86 feet along the Southwest line of said Location 46 to a point in County Road 500 North and true point of beginning this description; thence South 58 degrees 54 minutes 31 seconds East, 28.85 feet along said road; thence North 89 degrees 39 minutes 39 seconds East, 119.72 feet along said road; thence North 84 degrees 01

minutes 49 seconds East, 179.51 feet along said road; thence North 68 degrees 48 minutes 07 seconds East, 132.25 feet along said road to the Southeast line of said Location No. 46; thence South 51 ¼ degrees West, 380.42 feet to the South Corner of Location 46; thence North 38 ¾ degrees West, 238.25 feet to the point of beginning and containing 0.789 acres, more or less. [Said exception being Tract 23-C]

[Containing after said exception, 39.211 acres, more or less]

Note: According to Deed Plotter calculations, 4.79 acres of Tract 14-W is located inside the Pooled Unit.

TRACT 23-A

The Northwest Quarter of the Northwest Quarter of Section 23, Township 5 North, Range 9 West of the Second Principal Meridian containing 40 acres, more or less.

TRACT 23-B

The Northwest Quarter of Section 23, Township 5 North, Range 9 West.

EXCEPTING THEREFROM: The Northwest Quarter of the Northwest Quarter of said Section, containing 40 acres, more or less. [Said exception being Tract 23-A]

ALSO EXCEPTING THEREFROM: Part of the Southwest Quarter of the Northwest Quarter of Section 23, Township 5 North, Range 9 West, described as follows:

Beginning at the Northwest corner of said Southwest Quarter of the Northwest Quarter, thence North 89 degrees 40 minutes 50 seconds East 245.00 feet to an Iron pin; thence South 290.00 feet to an iron pin; thence South 89 degrees 40 minutes 50 seconds West 245.00 feet to a railroad spike in the center of the road and on the West line of said Section 23; thence North 290.00 feet along said West line to the point of beginning. [Said exception being Tract 23-D and containing 1.631 acres, more or less]

ALSO EXCEPTING THEREFROM: Part of Location No. 46, Township 5 North, Range 9 West, described as follows;

Beginning at the South Corner of said Location 46; thence North 38 ¾ degrees West along the Southwest line of said Location 11.43 chains [754.38 feet]; thence North 51 ¼ degrees East 35 chains [2,310.00 feet] to the Northeast line of said Location No. 46; thence South 38 ¾ degrees East along the Northeast line of said Location 11.43 chains [754.38 feet] to the East corner thereof; thence South 51 ¼ degrees West along the Southeast line of said Location 35 chains [2,310.00] to the place of beginning, containing 40 acres, more or less. [Said exception being Tract 14-W, 4.79 acres of which is located in the Pooled Unit, and Tract 23-C, 0.028 acres of which is located in the Pooled Unit]

[Containing after said exceptions, 113.299 acres, more or less]

TRACT 23-C

Part of Location No. 46, Township 5 North, Range 9 West, described as follows:

*Commencing at Northwest corner of Fraction Section 23 in said Township and Range; thence South 89 degrees 23 minutes 03 seconds East (Basis of Bearings), 2,131.80 feet to the intersection of the North line of said Section 23 with the Southwest line of said Location 46; thence South 38 $\frac{3}{4}$ degrees East, 669.86 feet along the Southwest line of said Location No. 46 to a point in County Road 500 North and true point of beginning this description; thence South 58 degrees 54 minutes 31 seconds East, 28.85 feet along said road; thence North 89 degrees 39 minutes 39 seconds East, 119.72 feet along said road; thence North 84 degrees 01 minutes 49 seconds East, 179.51 feet along said road; thence North 68 degrees 48 minutes 07 seconds East, 132.25 feet along said road to the Southeast line of said Location No. 46; thence South 51 $\frac{1}{4}$ degrees West, 380.42 feet to the South Corner of Location 46; thence North 38 $\frac{3}{4}$ degrees West, 238.25 feet to the point of beginning and **containing 0.789 acres, more or less***

Note: According to Deed Plotter calculations, 0.28 acres of Tract 23-C is located inside the Pooled Unit.

TRACT 23-D

Part of the Southwest Quarter of the Northwest Quarter of Section 23, Township 5 North, Range 9 West, described as follows:

Beginning at the Northwest corner of said Southwest Quarter of the Northwest Quarter, thence North 89 degrees 40 minutes 50 seconds East 245.00 feet to an Iron pin; thence South 290.00 feet to an iron pin; thence South 89 degrees 40 minutes 50 seconds West 245.00 feet to a railroad spike in the center of the road and on the West line of said Section 23; thence North 290.00 feet along said West line to the point of beginning.

[Containing 1.631 acres, more or less]

TRACT 23-E

Part of the West Half of the Southwest Quarter of Section 23 Township 5 North, Range 9 West, described as follows:

Beginning at a railroad spike set for the Northwest corner of said Southwest Quarter, thence South along the center of the county road 663.38 feet to a railroad spike; thence along a fence line North 88 degrees 59 minutes 05 seconds East 231.41 feet; thence along a fence line North 01 degrees 48 minutes 06 seconds West 659.95 feet to a railroad spike in the center of the county road; thence South 89 degrees 54 minutes 30 seconds West 210.62 feet to the point of beginning.

[Containing 3.357 acres, more or less]

TRACT 23-F

Part of the West Half of the Southwest Quarter of Section 23, Township 5 North, Range 9 West, described as follows:

Beginning at a railroad spike in the center of the county road and on the West line of said Section 23, said point being South 663.38 feet from the Northwest corner of Southwest Quarter of Section 23; thence South 657.62 feet along the center of the road to a railroad spike; thence along a fence line South 89 degrees 54 minutes 53 seconds East 678.04 feet to a corner post; thence North 01 degrees 09 minutes 08 seconds West 1,323.31 feet along a fence line and its projection to the North line of said Southwest Quarter; thence South 89 degrees 54 minutes 30 seconds West 440.81 feet to a railroad spike in the center of the road; then South 01 degrees 48 minutes 06 seconds East 659.95 feet along a fence line to a corner post; thence South 88 degrees 59 minutes 05 seconds West 231.14 feet along a fence line to the point of beginning.

[Containing 16.818 acres, more or less]

TRACT 23-G

Part of the West Half of Southwest Quarter of Section 23, Township 5 North, Range 9 West, described as follows:

Beginning at a railroad spike in the center of the county road and on the West line of Section 23, said point being South 1,321.00 feet from the Northwest corner of said Southwest Quarter; thence South along the center of the road 286.46 feet to a railroad spike; thence North 89 degrees 28 minutes 16 seconds East 685.58 feet along a fence line to an Iron pin; thence North 01 degrees 32 minutes 28 seconds West 279.22 feet along a fence line to a corner post; thence North 89 degrees 54 minutes 53 seconds West 678.04 feet along a fence line to the point of beginning.

[Containing 4.425 acres, more or less]

TRACT 23-H

Part of the Southwest Quarter of Section 23, Township 5 North, Range 9 West, described as follows:

Beginning at a railroad spike in the center of the county road and on the North line of said Southwest Quarter, said spike being North 89 degrees 54 minutes 30 seconds East 651.43 feet from the Northwest corner of said Southwest Quarter; thence North 89 degrees 52 minutes 49 seconds East 1,373.69 feet to a spike in the center of the road and on the North line of said Southwest Quarter; thence South 0 degrees 09 minutes 54 seconds West 1,592.72 feet to a point in the fence line; thence South 89 degrees 28 minutes 16 seconds West 1,335.04 feet to an Iron pin; thence North 01 degrees 32 minutes 28 seconds West 279.22 feet to a post; thence North 01 degrees 09 minutes 09 seconds West 1,323.32 feet to the point of beginning.

[Containing 49.752 acres, more or less]

TRACT 23-I

Lots 5 and 6 of the East half of the Southwest Fractional Quarter of Section 23, Township 5 North, Range 9 West, containing 82 acres, more or less.

EXCEPTING THEREFROM: 40 rods [660.00 feet] of even width off the entire West side thereof, containing 40 acres, more or less.

Leaving herein after deducting said exception, 42 acres, more or less.

TRACT 23-J

The West Half of the Southwest Quarter of Section 23, Township 5 North, Range 9 West.

Also, 40 rods [660 feet] of even width off the entire West side of the East Half of the Southwest Quarter, being also a part of Lot 5 and 6 of said Fractional Section 23, Township 5 North, Range 9 West, containing 40.00 acres, more or less.

EXCEPTING THEREFROM: Part of the West Half of the Southwest Quarter described as follows:

Beginning at a railroad spike set for the Northwest corner of the Southwest Quarter; thence South along the center of the county road 663.38 feet to a railroad spike; thence along a fence line North 88 degrees 59 minutes 05 seconds East 231.41 feet; thence along a fence line North 01 degrees 48 minute 06 seconds West 659.95 feet to a railroad spike in the center of the county road; thence South 89 degrees 54 minutes 30 seconds West 210.62 feet to the point of beginning. Containing 3.357 acres, more or less. [Said exception being Tract 23-E]

ALSO EXCEPTING THEREFROM: Part of the West Half of the Southwest Quarter described as follows:

Beginning at a railroad spike in the center of the county road and on the West line of said section, said point being South 663.38 feet from the Northwest corner of the Southwest Quarter of section; thence South 657.62 feet along the center of the road to a railroad spike; thence along a fence line South 89 degrees 54 minutes 53 seconds East 678.04 feet to a corner post; thence North 01 degrees 09 minutes 08 seconds West 1,323.31 feet along a fence line and its projection to the North line of said Southwest Quarter; thence South 89 degrees 54 minutes 30 seconds West 440.81 feet to a railroad spike in the center of the road; thence South 01 degrees 48 minutes 06 seconds East 659.95 feet along a fence line to a corner post; thence South 88 degrees 59 minutes 05 seconds West 231.41 feet along a fence line to the point of beginning. Containing 16.818 acres, more or less. [Said exception being Tract 23-F]

ALSO EXCEPTING THEREFROM: Part of the West Half of the Southwest Quarter described as follows:

Beginning at a railroad spike in the center of the county road and on the West line of said section, said point being south 1,321 feet from the Northwest corner of said Southwest Quarter of section; thence South along the center of the road 286.46 feet to a railroad spike; thence North 89 degrees 28 minutes 16 seconds East 685.58 feet along a fence line to an iron pin; thence North 01 degrees 32 minutes 28 seconds West 279.22 feet along a fence line to a corner post; thence North 89 degrees 54 minutes 53 seconds West 678.04 feet along a fence line to the point of beginning. Containing 4.425 acres, more or less. [Said exception being Tract 23-G]

ALSO EXCEPTING THEREFROM: Part of the Southwest Quarter described as follows:

Beginning at a railroad spike in the center of the county road and on the North line of said Southwest Quarter, said spike being North 89 degrees 54 minutes 30 seconds East 651.43 feet from the Northwest corner of said Southwest Quarter; thence North 89 degrees 52 minutes 49 seconds East 1,373.69 feet to a spike in the center of the road and on the North line of said Southwest Quarter; thence South 00 degrees 09 minutes 54 seconds West 1,592.72 feet to a point in the fence line; thence South 89 degrees 28 minutes 16 seconds West 1,335.04 feet to an iron pin; thence North 1 degree 32 minutes 28 seconds West 279.22 feet to a post; thence North 1 degree 09 minutes 09 seconds West 1,323.32 feet to the point of beginning and containing 49.752 acres, more or less. [Said exception being Tract 23-H]

[Containing after said exceptions, 45.648 acres, more or less]

EXHIBIT "A-2"
DESCRIPTION OF LEASED PARCELS

Telligman 14-23 Pooled Unit
West Half of Section 14 and Section 23, Town 5 North, Range 9 West

Certain parcels described below cover land located both inside the perimeter of the Pooled Unit and outside the perimeter of the Pooled Unit. In such scenarios, the amount of acreage contained in the parcel in full is set out. Further, the amount of acreage calculated by the Deed Plotter mapping program to be located inside the pooled unit is set out in a notation after the legal description.

If instruments of record specify the amount of acreage contained in a parcel, the documented amount remains as a part of the following descriptions. If instruments of record do not specify the amount of acreage contained in a parcel, causing the Petitioner to calculate the same, the calculated amount is placed in brackets after the description.

The notations in brackets that identify the parcel being excepted from the description are added by the Petitioner and do not appear in the original instrument.

Distances given in chains and/or rods have been converted by the Petitioner to distances in feet. The conversions are placed in brackets and do not appear in the original leased premises.

TRACT 14-A

Part of the Northwest Quarter of the Northwest Quarter of Section 14, Township 5 North, Range 9 West, described as follows:

*Beginning at the Northwest corner of said Section 14; thence running East 14 chains [924.00 feet] to the Northwest line of Survey 3, Township 5 North, Range 9 West; thence South 51 ¼ degrees West 18.66 chains [1,231.56 feet] to the West line of said Section 15; thence North 11.69 [771.54 feet] chains to the places of beginning **containing 8.18 acres.***

(Tax ID #021-004-0014-200-001)

TRACT 14-B

*Beginning at a stone 10.30 chains [679.80 feet] South 51 ¼ degrees West of the West corner of Survey 3 said Town and Range; thence South 51 ¼ degrees West 5 ½ chains [363.00 feet] to a stone in the center of Carlisle and Bruceville Road, on the Section line between Section 14 and 15; thence South 30 ¼ degrees East 11.65 chains [768.90 feet] to the North corner of the David O. Ashley tract; thence North 51 ¼ degrees East 7.13 chains [470.58 feet] to the South corner of the V.O. Schnling 12 acre tract; thence North 38 ¾ degrees West, 11.65 chains [768.90 feet] to the place of beginning, **containing in all 7.40 acres, more or less.***

(Tax ID #021-004-0014-200-002)

TRACT 14-C

A tract of land in fractional Section 14, Town 5 North, Range 9 West to contain 12 acres adjoining to and lying immediately Southwest of the aforesaid tract, and of the same width of said tract and lying between what would be a continuation Southwest of the Northeast and Southwest boundary lines of tract first described herein. [The referenced parcel being Tract 14-D]

All of the above being the same interest in real estate conveyed by deed from Vernor O. Scanling and Roxie L. Scanling, husband and wife to David O. Ashley, dated March 8, 1939 and recorded March 9, 1939 in Book No. 95, page 650 in the Recorder's Office of Knox County, Indiana.

(Tax ID #021-004-0014-200-003)

Note: A 50% of the interest in Tract 14-C is leased; however, the remaining 50% interest is unleased.

TRACT 14-D

The Northwest Half of the following described land in Survey 3 in Township 5 North, Range 9 West, described as follows:

Beginning at the West corner of said Survey Number 3; thence South 38 $\frac{3}{4}$ degrees East 23 chains and 31 links [1,538.46 feet] to a post on the Southwest line of said Survey Number 3; thence North 51 $\frac{1}{4}$ degrees East 19 chains [1,254.00 feet]; thence North 38 $\frac{3}{4}$ degrees West 23 chains and 31 links [1,538.46 feet] to a post in the Northwest line of said Survey Number 3; thence South 51 $\frac{1}{4}$ degrees West with said Northwest line 19 chains [1,254.00 feet] to the beginning, containing 44.28 acres. The above tract being the Northwest Half of said 44.28 acre tract. [The referenced 44.28 acre parcel being Tract 14-D and Tract 14-G combined]

[Containing 22.14 acres, more or less]

(Tax ID #021-004-S003-000-001)

Note: According to Deed Plotter calculations, 8.11 acres of Tract 14-D is located inside the Pooled Unit.

Note: A 50% of the interest in Tract 14-D is leased; however, the remaining 50% interest is unleased.

Exhibit B-1
 Township 5 North, Range 9 West, Widner Township, Knox County, Indiana
 Section 14, Part of Survey 3 and Part of Location 46
 Telligman Petition

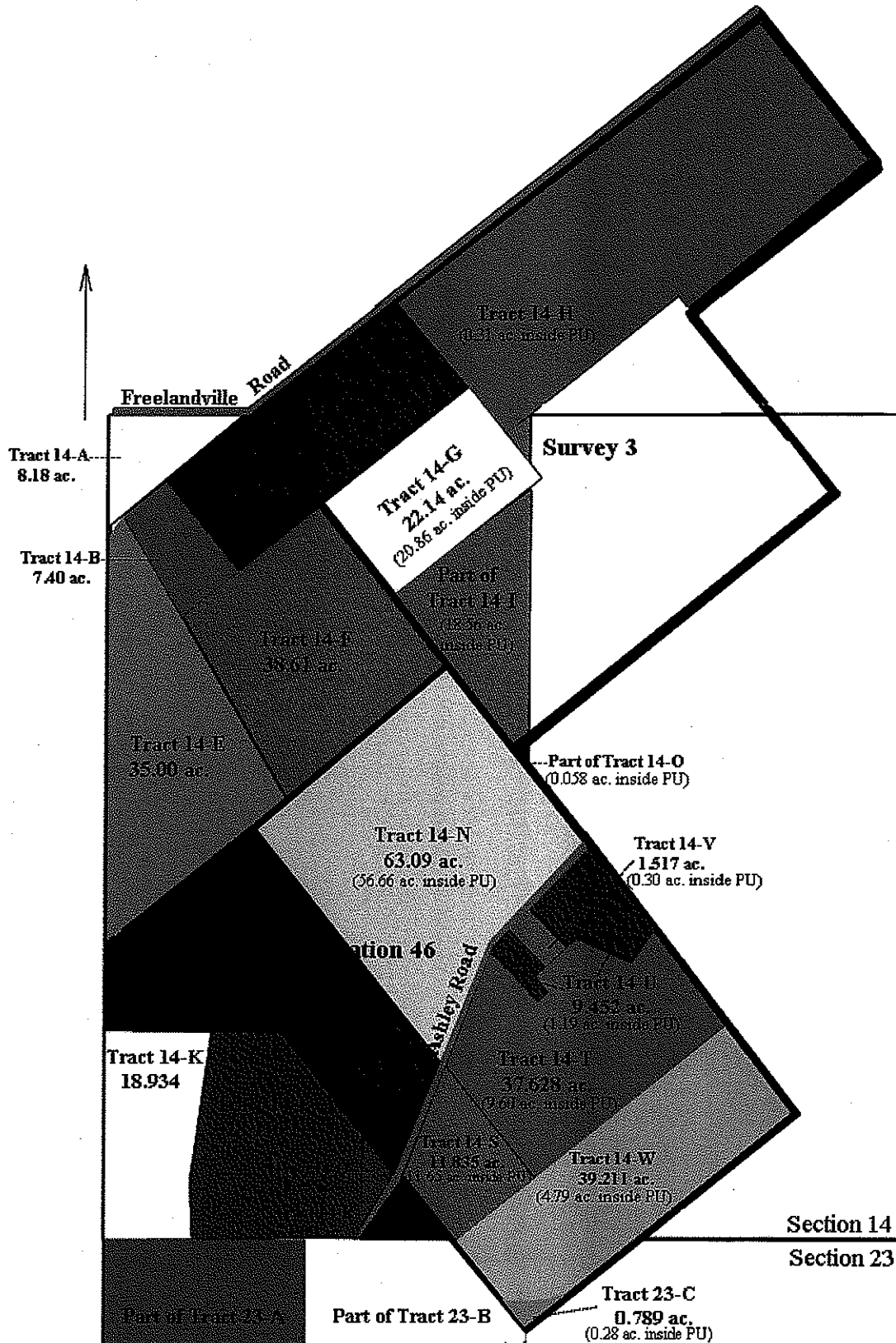
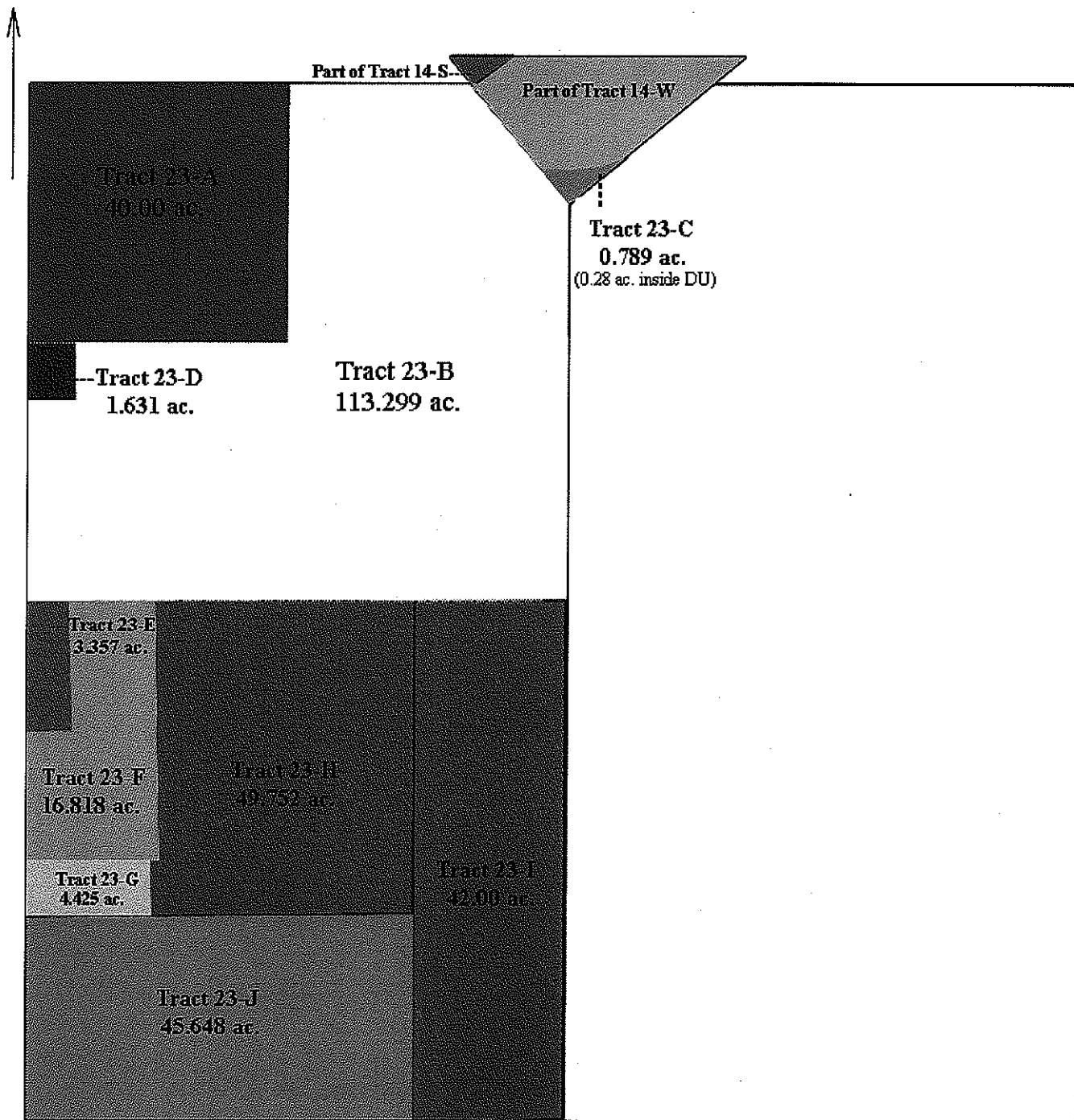
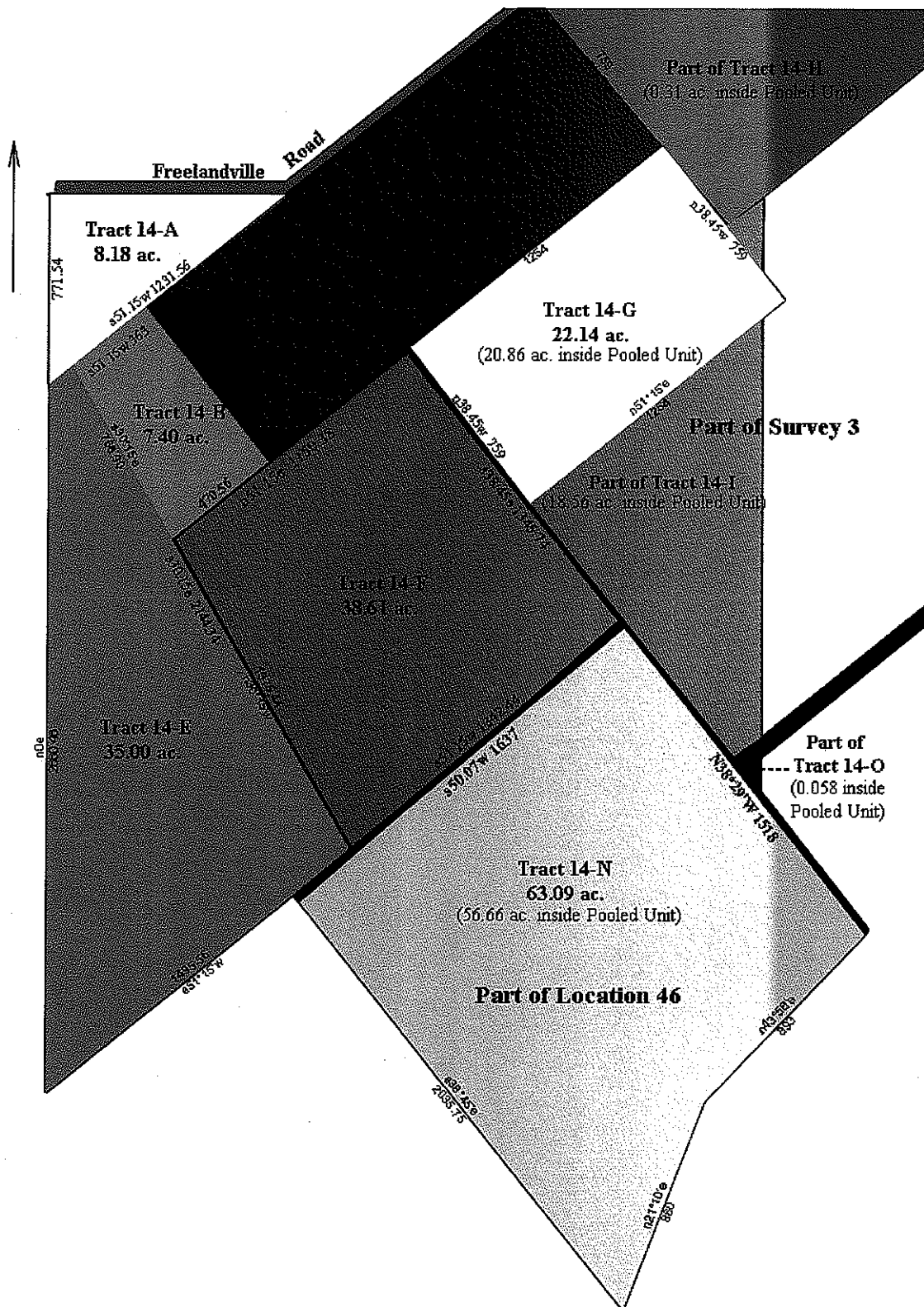


Exhibit B-2
Section 23, Township 5 North, Range 9 West, Widner Township, Knox County, Indiana
Telligman Petition



Township 5 North, Range 9 West, Widner Township, Knox County, Indiana
The Northwest Quarter of Section 14, Part of Survey 3 and Part of Location 46



Part of Tract 14-F

Part of Tract 14-E

Tract 14-N
63.09 ac.
(56.66 ac. inside Pooled Unit)

Tract 14-V
1.517 ac.
(0.30 ac. inside Pooled Unit)

Tract 14-U
0.452 ac.
(0.19 ac. inside Pooled Unit)

Tract 14-T
37.628 ac.
(2.60 ac. inside Pooled Unit)

Tract 14-S
11.835 ac.
(1.15 ac. inside Pooled Unit)

Tract 14-W
39.211 ac.
(4.79 ac. inside Pooled Unit)

Tract 23-C
0.789 ac.
(0.28 ac. inside Pooled Unit)

Tract 14-K
18.934

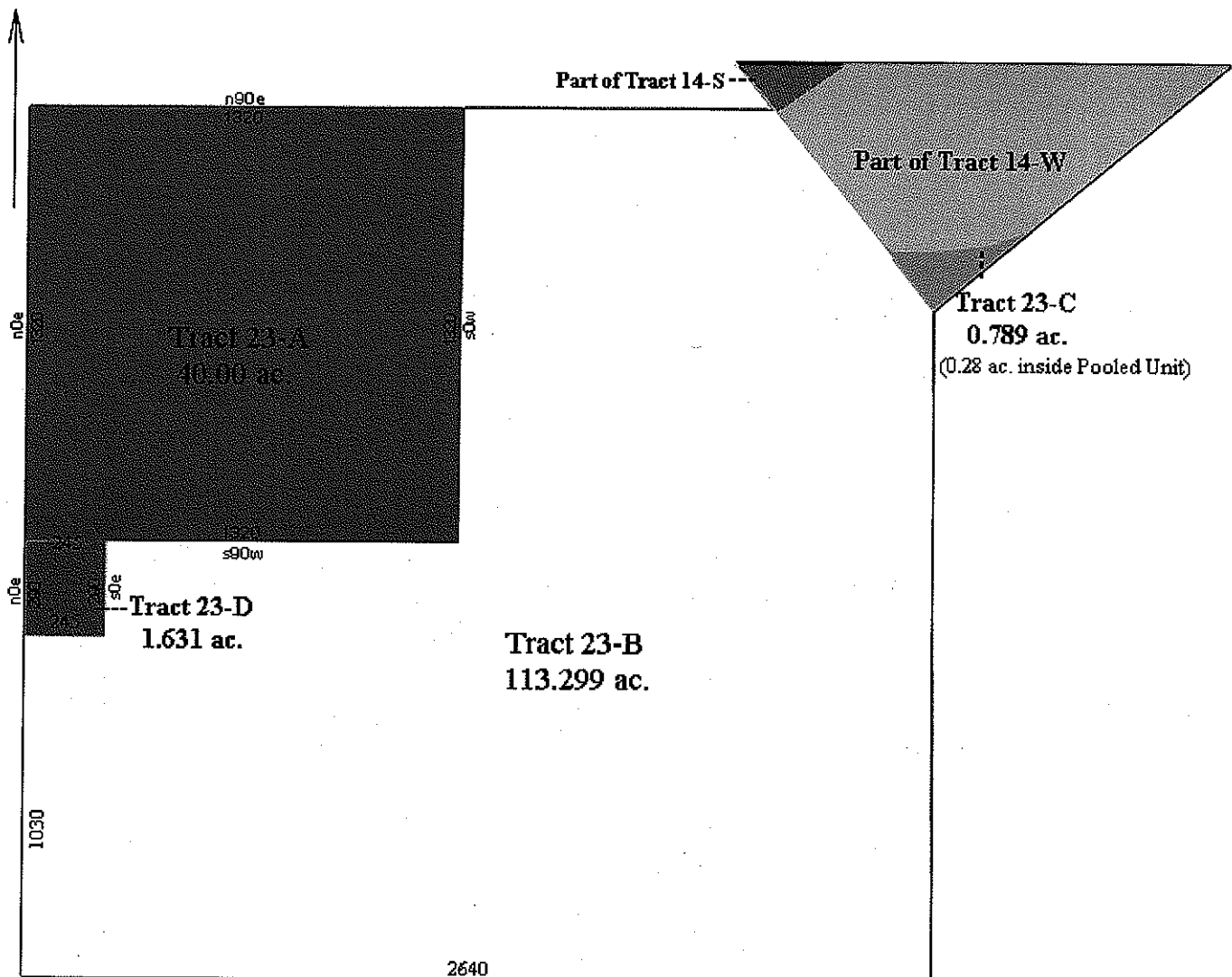
Ashley Road

Section 14

Section 23

T46N R45W

Exhibit B-5
Section 23, Township 5 North, Range 9 West, Widner Township, Knox County, Indiana
The Northwest Quarter



Section 23, Township 5 North, Range 9 West, Widner Township, Knox County, Indiana
The Southwest Quarter

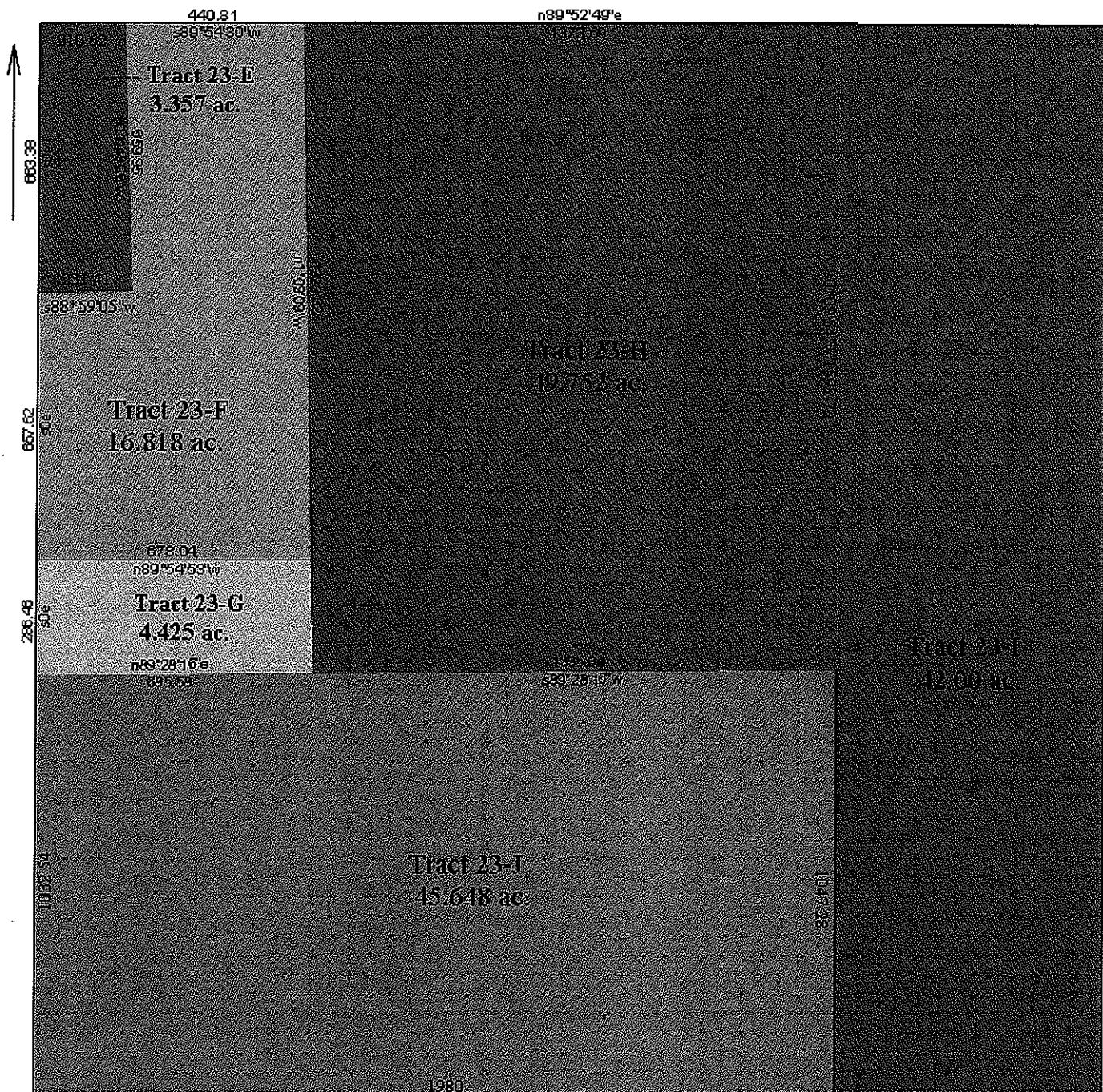


EXHIBIT "C"
Sample Oil and Gas Lease Utilized in Vicinity
OIL AND GAS LEASE
(PAID UP)

THIS AGREEMENT is made as of the ____ day of _____, 2009, by and between _____, hereinafter called Lessor (whether one or more), and Atlas Energy Indiana, LLC, 10691 East Carter Road, Suite 201, Traverse City, Michigan 49684, hereinafter called Lessee.

1. Lessor, for and in consideration of ten dollars (\$ 10.00), and the covenants and agreements of the Lessee hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, lease and let unto Lessee the land described below, including all interests therein Lessor may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively, for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, together with all rights, privileges and easements useful or convenient in connection with the foregoing and in connection with treating, storing, caring for, transporting and removing oil and/or gas produced from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, drill, establish and utilize wells and facilities for disposition of water, brine or other fluids, and for enhanced production and recovery operations, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities. Said land is in the County of _____, State of Indiana, and is described as follows:

See Exhibit "A" attached hereto and made a part hereof.

containing _____ acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above that are owned or claimed by Lessor, or to which Lessor has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, produced at the well in liquid form by ordinary production methods, including condensate separated from gas at the well. The term "gas" when used in this lease shall mean hydrocarbons produced in a gaseous state at the well (not including condensate separated from gas at the well), helium, nitrogen, carbon dioxide and other gases.

2. It is agreed that this lease shall remain in force for a primary term of **five (5) years** from the date of this lease, and as long thereafter as operations are conducted upon said land or on lands pooled or unitized therewith with no cessation for more than 90 consecutive days; provided, however, that in no event shall this lease terminate unless production of oil and/or gas from all wells located on said land, or on lands pooled or unitized therewith, has permanently ceased. If operations commenced during the primary term are discontinued less than 90 days before the end of the term, this lease shall not terminate at the end of the primary term if operations are again conducted within 90 days after the discontinuance. Whenever used in this lease the word "operations" shall refer to any of the following and any activities related thereto: preparing location for drilling, drilling, testing, completing, equipping, reworking, recompleting, deepening, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil and/or gas, and production of oil and/or gas whether or not in paying quantities.

3. Lessee covenants and agrees to pay the following royalties: (a) To deliver to the credit of Lessor into tank reservoirs or into the pipeline to which Lessee may connect its wells, one-eighth of the oil produced and saved from said land, Lessor's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of Lessee, Lessee may sell the oil produced and saved from said land and pay Lessor one-eighth of the net amount realized by Lessee, computed at the wellhead; (b) To pay Lessor on gas produced from said land (1) when sold by Lessee, one-eighth of the net amount realized by Lessee, computed at the wellhead, or (2) when used by Lessee for purposes other than those specified in Paragraph numbered 7 of this lease, one-eighth of the net market value at the wellhead of the gas so used. As used in this lease, the term "net amount realized by Lessee, computed at the wellhead" shall mean the gross proceeds received by Lessee from the sale of oil and gas minus post-production costs incurred by Lessee between the wellhead and the point of sale, and the term "net market value at the wellhead" shall mean the current market value (at the time of production) of the gas at a market point where gas produced in the general area is commonly purchased and sold, minus the post-production costs that would be incurred by Lessee between the wellhead and such market point in order to realize that market value. As used in this lease, the term "post-production costs" shall mean all cost and expense of (a) treating and processing oil and/or gas to separate and remove non-hydrocarbons including but not limited to water, carbon dioxide, hydrogen sulfide and nitrogen, and (b) separating liquid hydrocarbons from gas, other than condensate separated at the well, and (c) transporting oil and/or gas, including but not limited to transportation between the wellhead and any production or treating facilities, and transportation to the point of sale, and (d) compressing gas for transportation and delivery purposes, and (e) metering oil and/or gas to determine the amount sold and/or the amount used by Lessee for purposes other than those specified in Paragraph numbered 7 of this lease, and (f) sales charges, commissions and fees paid to third parties (whether or not affiliated) in connection with the sale of the gas, and (g) any and all other costs and expenses of any kind or nature incurred in regard to the gas, or the handling thereof, between the wellhead and the point

of sale. Lessee may use its own pipelines and equipment to provide such treating, processing, separating, transportation, compression and metering services, or it may engage others to provide such services; and if Lessee uses its own pipelines and/or equipment, post-production costs shall include reasonable depreciation and amortization expenses relating to such facilities, together with Lessee's cost of capital and a reasonable return on its investment in such facilities. Prior to payment of royalty, Lessor shall execute a Division Order certifying Lessor's interest in production. Lessee may pay all taxes and fees levied upon the oil and gas produced, including, without limitation, severance taxes and privilege and surveillance fees, and deduct a proportionate share of the amount so paid from any monies payable to Lessor hereunder.

4. If any well, capable of producing oil and/or gas, whether or not in paying quantities, located on said land or on lands pooled or unitized with all or part of said land, is at any time shut in and production therefrom is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut in, notwithstanding expiration of the primary term. In lieu of any implied covenant to market, Lessee expressly agrees to market oil and/or gas produced from Lessee's wells located on said land or on land pooled or unitized therewith, but Lessee does not covenant or agree to reinject or recycle gas, to market such oil and/or gas under terms, conditions or circumstances which in Lessee's judgment are uneconomic or otherwise unsatisfactory or to bear more than Lessee's revenue interest share of the cost and expense incurred to make the production marketable. If all wells on said land, or on lands pooled or unitized with all or part of said land, are shut in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut in, Lessee shall be obligated to pay or tender, as royalty, to Lessor, or to Lessor's credit in the _____ Bank, at _____, or its successors, as Lessor's agent, which shall continue as the depository regardless of changes in ownership of royalties, shut-in royalties or other money, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided, however that if production from a well or wells located on said land or on lands pooled or unitized therewith is sold or used off the premises before the end of any such period or if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in well(s), Lessee shall not be obligated to pay or tender said sum of money for that annual period. This shut-in royalty payment may be made in currency, draft or check, at the option of Lessee, and the depositing of such payment in any post office, with sufficient postage and properly addressed to Lessor, or said bank, within 60 days of the expiration of the annual period shall be deemed sufficient payment as herein provided.

5. If Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall give written notice to Lessee specifically describing Lessee's non-compliance. Lessee shall have 90 days from receipt of such notice to commence, and shall thereafter pursue with reasonable diligence, such actions as may be necessary or proper to satisfy such obligation of Lessee, if any, with respect to Lessor's notice. Neither the service of said notice nor the doing of any acts by Lessee in response thereto shall be deemed an admission or create a presumption that Lessee has failed to perform all its obligations hereunder. No judicial action may be commenced by Lessor for forfeiture of this lease or for damages until after said 90 day period. Lessee shall be given a reasonable opportunity after a final court determination to prevent forfeiture by discharging its express or implied obligation as established by the court. If this lease is canceled for any cause, it shall, nevertheless remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by Lessee in such shape as then existing spacing rules permit and (b) any part of said land included in a pooled or unitized unit on which there are operations. Lessee shall also have such easements on said land as are necessary or convenient for operations on the acreage so retained.

6. If this lease covers less than the entire undivided interest in the oil and gas in said land (whether Lessor's interest is herein specified or not), then the royalties, shut-in royalties and any extension payment pursuant to Paragraph numbered 17 below shall be paid to Lessor only in the proportion which the interest in oil and gas covered by this lease bears to the entire undivided interest therein.

7. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations hereunder, except water from the wells of Lessor. When requested by Lessor, Lessee shall bury Lessee's pipelines below plow depth. No well shall be drilled nearer than 200 feet from the house or barn now on said land without written consent of Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing and any other downhole equipment and fixtures.

EXHIBIT D
DIVISION OF GAS INTEREST BY TRACT
Telligman 14-23 Unit - The West Half of Section 14 and Section 23, Township 5 North, Range 9 West

Tract	Total Acres	Acres in Pooled Unit	Interest Owner	Type	Interest	Royalty
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A 50% interest in Tract 14-C and Tract 14-D is leased. The remaining 50% is unleased. To facilitate accurate calculations, the acreage contained in Tract 14-C is divided in half. Since a portion of Tract 14-D is located outside the Pooled Unit, the acreage contained within the Pooled Unit boundary is divided in half.

Unleased Parcels:

14-C	12.000	6.000	William Brocksmith	unleased	3.1250	0.02900093
			Kent Brocksmith	unleased	3.1250	0.02900093
			Doris Brocksmith	unleased	3.1250	0.02900093
			Jane Tiek	unleased	3.1250	0.02900093
14-D	22.140	4.055	William Brocksmith	unleased	3.1250	0.01959979
			Kent Brocksmith	unleased	3.1250	0.01959979
			Doris Brocksmith	unleased	3.1250	0.01959979
			Jane Tiek	unleased	3.1250	0.01959979
	34.140	10.055	Total Unleased Acres in Pooled Unit			

Leased Parcels:

14-A	8.180	8.180	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.15815174
			Helen L. Parkes, Life Estate	Royalty interest	12.5000	
					100.0000	
14-B	7.400	7.400	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.14307125
			Dale and Jane Tiek	Royalty interest	12.5000	
					100.0000	
14-C	12.000	6.000	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.11600372
			Carla S. Ryan	Royalty interest	12.5000	
					100.0000	
14-D	22.140	4.055	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.07839918
			Carla S. Ryan	Royalty interest	12.5000	
14-E	35.000	35.000	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.67668836
			Blenda Thomas Williams	Royalty interest	12.5000	
					100.0000	
14-F	38.610	38.610	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.74648393
			Robert and Patricia Ashley	Royalty interest	12.5000	
					100.0000	
14-G	22.140	20.860	Atlas Energy Indiana, LLC et. al.	Working Interest	87.5000	0.40330626
			Robert and Patricia Ashley	Royalty interest	12.5000	
					100.0000	

14-H	40.000	0.310	Atlas Energy Indiana, LLC et. al. William and Kent Brocksmith	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.00599353
14-I	92.220	18.560	Atlas Energy Indiana, LLC et. al. Robert and Patricia Ashley	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.35883817
14-J	12.590	12.590	Atlas Energy Indiana, LLC et. al. John and Kathy Telligman	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.24341447
14-K	18.934	18.934	Atlas Energy Indiana, LLC et. al. John and Kathy Telligman	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.36606907
14-L	28.116	28.116	Atlas Energy Indiana, LLC et. al. John and Kathy Telligman	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.54359342
14-M	33.960	33.960	Atlas Energy Indiana, LLC et. al. Blenda Williams	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.65658105
14-N	63.090	56.660	Atlas Energy Indiana, LLC et. al. Robert and Patricia Ashley	Working Interest Royalty interest	87.5000 12.5000 100.0000	1.09546178
14-O	4.500	0.058	Atlas Energy Indiana, LLC et. al. Robert and Patricia Ashley	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.00112137
14-P	1.970	1.970	Atlas Energy Indiana, LLC et. al. Robert and Patricia Ashley Terry and Blenda Williams	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.03808789
14-Q	0.250	0.250	Atlas Energy Indiana, LLC et. al. Terry Williams	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.00483349
14-R	1.000	0.250	Atlas Energy Indiana, LLC et. al. Terry Williams	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.00483349
14-S	11.835	11.650	Atlas Energy Indiana, LLC et. al. Blenda Williams	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.22524055
14-T	37.628	9.600	Atlas Energy Indiana, LLC et. al. Kathy Telligman	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.18560595
14-U	9.452	1.190	Atlas Energy Indiana, LLC et. al. David Trinkle	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.02300740

14-V	1.517	0.300	Atlas Energy Indiana LLC et. Al. Shawn Trinkle	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.00580019
14-W	39.211	4.790	Atlas Energy Indiana, LLC et. al. Steve J. Hoke Living Trust	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.09260964
23-A	40.000	40.000	Atlas Energy Indiana, LLC et. al. Elizabeth and John Telligman	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.77335812
23-B	113.299	113.299	Atlas Energy Indiana, LLC et. al. Larry and Phyllis Daugherty	Working Interest Royalty interest	87.5000 12.5000 100.0000	2.19051755
23-C	0.789	0.280	Atlas Energy Indiana, LLC et. al. Steven and Jean Neal	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.00541351
23-D	1.631	1.631	Atlas Energy Indiana, LLC et. al. Richard and Cheryl Early	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.03153368
23-E	3.357	3.357	Atlas Energy Indiana, LLC et. al. Howard and Patricia Elkins	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.06490408
23-F	16.818	16.818	Atlas Energy Indiana, LLC et. al. Brandon Cardinal	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.32515842
23-G	4.425	4.425	Atlas Energy Indiana, LLC et. al. Darrell and Janice Donnar	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.08555274
23-H	49.725	49.725	Atlas Energy Indiana, LLC et. al. Brandon Cardinal	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.96138082
23-I	42.000	42.000	Atlas Energy Indiana, LLC et. al. Theodore B. Marmaduke Trust	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.81202603
23-J	45.648	45.648	Atlas Energy Indiana, LLC et. al. Benjamin M. Summers Family Farm	Working Interest Royalty interest	87.5000 12.5000 100.0000	0.88255629

Total Royalty Interest 12.50000000

636.476 Total Leased Acres in Pooled Unit

646.531 TOTAL ACRES IN POOLED UNIT

EXHIBIT "E"
Contact Report

RE: William Brocksmith: One-Eighth Interest Owner
Doris J. Brocksmith: One-Eighth Interest Owner
Kent Brocksmith: One-Eighth Interest Owner
Jane Louise Tiek: One-Eighth Interest Owner

1. A 50% interest in the Separately Owned Interest, being Tract 14-C, containing 12.00 acres, and Tract 14-D, containing 22.14 acres, 8.11 acres of which are located inside the Pooled Unit, is leased from Carla S. Ryan. The remaining 50% interest in the Separately Owned Interest is owned by the parties set out above.
2. Atlas representatives have contacted William Brocksmith on numerous occasions to offer the opportunity to execute an Oil and Gas Lease. William Brocksmith and the other parties listed above are relatives and have communicated that William Brocksmith represents their interests (hereinafter referred to collectively as "Non-Consenting Owners"). Accordingly, contacts have generally been directed towards William Brocksmith. The Non-Consenting Owners advised that they do not intend to execute an Oil and Gas Lease nor do they wish to be contacted again.
3. On November 3, 2008, an Atlas representative met with the Non-Consenting Owners. The following Oil and Gas Lease terms were offered:
 - a) Payment of a lease signing bonus of \$35.00 per acre
 - b) Primary term of 3 years
 - c) Royalty interest rate of 1/8th
 - d) Lease extension option for an additional 2 years

The Non-Consenting Owners communicated that they were not interested in executing an Oil and Gas Lease.

4. On November 20, 2008, an Atlas representative met with the Non-Consenting Owners who communicated that they were unhappy with the proposed lease terms; however, the Non-Consenting Owners did not specify terms that would be acceptable.
5. On February 15, 2009, Atlas representative met with the Non-Consenting Owners regarding the proposed lease and a right-of-way.
6. On September 17, 2009, an Atlas representative offered the Non-Consenting Owners a Non-Development Oil and Gas Lease with no surface rights and a \$50.00 per acre lease signing bonus. The Atlas representative informed the Non-Consenting Owners that the owner of an undivided one-half interest in Separately Owned Interest executed an Oil and Gas Lease in favor of Atlas Energy Indiana, LLC.

7. On September 24, 2009, an Atlas representative delivered a Non-Development Oil and Gas Lease to the Non-Consenting Owner.
8. On October 7, 2009, an Atlas representative left a message on the answering machine of the Non-Consenting Owner.
9. On October 13, 2009, an Atlas representative left a message on the home phone answering machine and the cell phone of the Non-Consenting Owner.
10. The Non-Consenting Owner has not responded to recent contact attempts and has never indicated an interest in signing an Oil and Gas Lease.